

EC210

Microeconomics for Social Science

(Fall 2020)

Seminar Leader: Israel Waichman
Course Times: Tue, Thu 9:00-10:30
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Office hours: Tue, Thu 12:30-13:30 (by appointment)

Course description

Microeconomics is the study of how individual economic units (households and firms) interact to determine outcomes (allocation of goods and services) in a market setting. This course further develops principles and analytical methods introduced by the Principles of Economics course. The first part of the course deals with consumer behaviour, market demand and the extent to which a consumer's decisions can be modelled as rational. The second part of the course deals with the theory of the firm and the positive and normative characteristics of alternative market structures—perfect competition, monopoly and possibly monopolistic competition. Finally, the efficiency of market outcomes is studied, as well as situations under which markets are not efficient. Part of the course is devoted to problem solving, in which students present solutions to specific case studies.

Learning Outcomes

- Understanding of the units of organisation and factors that interact to produce economic exchange within a market framework (e.g., consumers, households, and firms)
- Recognition of and ability to analyse the workings of alternate market structures
- Ability to analyse the costs and benefits of specific modes of economic exchange
- Capacity to formulate and carry out case studies of microeconomic functioning

Requirements

Prerequisites

Students taking this course should have already successfully completed the courses “Principles of Economics” and “Mathematics for Social Science”. This course deepens our understanding of microeconomics discussed in the Principles course in a more detailed and formal fashion.

Textbooks

For this course, we will use the textbook “Microeconomics and Behaviour” by Frank/Cartwright (1st international edition, McGraw-Hill) and required readings will mostly be from this book (other editions of the book may be used as well but the course will refer to the edition specified here).

I expect you to read the relevant chapters of the textbook before we meet in the classroom. Studying the textbook carefully will improve your understanding and hence to your final grade. I will try to cover all relevant topics in the course (although in the textbook you may find additional examples). Yet, you

are formally expected to read the relevant chapters - and that means that you may get an exam question that was more deeply covered by the book than in the classroom.

It is essential that you will repeat at home the material that we cover in class (including solving again all the exercises that we did in the classroom).

Attendance

Attendance at ALL classes is expected. More than two absences (that is absences from two sessions of 90 minutes) in a semester will significantly affect the grade for the course.

Use of cell/mobile phones

The use of cell phones is not allowed during the classes. Please leave your cell phone in your bag during the classes.

Calculators

Please bring a simple scientific calculator to the classes. You will need these calculators for the classes and for the quizzes and exams (graphical calculators are not allowed in quizzes/exams). Please note that the use of a calculator in your smart phone is not allowed in this course.

Assessment

Assessment will be based on attendance, preparation for classes, regular and active participation, handing in group problems sets, quizzes, as well as a mid-term (60 minutes) and a final examination (90 minutes).

Grade breakdown

- Seminar participation, handing in problem sets, and quizzes (a total of 40% of the final grade)

Quizzes: The quiz with the lowest grade will not count for the final grade.

Problem Sets: Solutions to the problem sets should be submitted in pairs (the pairs should be fixed for the whole duration of the course). **Problem sets are due exactly one week after being given**, i.e., if I hand in a problem set on Thursday, the solution should be in my post box exactly one week afterwards (before the class on Thursday). Solutions to the problem sets are to be written on an **A4 paper**. Make sure that your solutions are organized and clearly written.

- Mid-term exam (a total of 30% of the final grade)
- Final examination (a total of 30% of the final grade)

Schedule

Classes start on Tuesday Sep 1 and run until Thursday Dec 10, with fall break planned for Oct 19– Oct 25. Completion week will take place on December 14–18.

The schedule provided is provisional in order to allow for flexibility. It is the students' responsibility to keep themselves informed of any changes to the schedule provided here. An up-to-date schedule will be maintained by the course management in our Google classroom system. Lecture slides and problem sets will be posted in Google classroom (password will be given in the first class).

Part I – Introduction

Week 1 – Introduction/How economists think
Sep 1, Sep 3,
Reading: Frank, Ch. 1, Ch.2

Part II – Theory of the consumer

Week 2 – Rational consumer choice
Sep 8, Sep 10
Reading: Frank, Ch. 3

Week 3 – Rational consumer choice
Sep 15, Sep 17
Reading: Frank, Ch. 3

Week 4 – Rational consumer choice
Sep 22, Sep 24
Reading: Frank, Ch. 3

Week 5 – Individual and market demand
Sep 29, Oct 01
Reading: Frank, Ch. 4

Week 6 – Individual and market demand
Oct 06, Oct 08
Reading: Frank, Ch. 4

Week 7 – Individual and market demand / **Midterm exam**
Oct 13, **Oct 15**
Reading: Frank, Ch. 4

Midterm break (Oct 19 –Oct25)

Part III – Theory of the firm and industrial organization

Week 8 –Production,
Oct 27, Oct 29
Reading: Frank, Ch. 9

Week 9 –Costs;
Nov 3, Nov 5
Reading: Frank, 10

Week 10 – Costs ; Supply
Nov 10, Nov 12

Reading: Frank, Ch. 10

Week 11 – Perfect competition;

Nov 17, Nov 19

Reading: Frank, Ch. 11

Week 12 – Perfect competition; Monopoly

Nov 24, Nov 26

Reading: Frank, Ch. 11, 12

Week 13 – Monopoly ;

Dec 1, Dec 3

Reading: Frank, Ch. 12

Week 14 – Efficiency and Social Welfare; Summary and repetition

Dec 8, 10

Reading: TBA

Classes missed due to federal holidays will not be rescheduled.

(version: August 4, 2019)